

FORRESTAL, JAMES V(INCENT) (fôr'-est-ôl") Feb. 15, 1892- United States Government official; financier; businessman
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NOTE: This biography supersedes the article which appeared in *Current Biography* in 1942.

James V. Forrestal, who came to Washington from Wall Street in 1940 as an "anonymous assistant" to President Roosevelt¹², advanced rapidly in the Government service, serving as Under Secretary, and then as Secretary, of the Navy for a period of seven years. In September 1947 Forrestal became the first Secretary of Defense, in charge of coordinating the activities of all the United States armed services, and of determining national defense policy. His department is the National Military Establishment.

James Vincent Forrestal was born in President Roosevelt's home county, Dutchess, New York, in the little town of Beacon, on February 15, 1892. He is the son of James and Mary A. (Toohey) Forrestal. The elder Forrestal, an Irish Catholic from County Cork, came to Matteawan (now part of Beacon), where he worked as a building contractor and was active in Democratic politics. During President Cleveland's Administration, he served as postmaster of Matteawan. The family income was small, ranging from five hundred dollars to two thousand dollars a year, and "Vince," as he was then called, went to work at the age of sixteen after being graduated from high school. His first job was with the *Matteawan Journal*; a year later he joined the *Mt. Vernon Argus*, and at eighteen he became news editor of the *Poughkeepsie News Press*. He covered the 1911 elections and saw his father play an important part in the campaign that sent young Franklin D. Roosevelt to Albany as State Senator—a Democratic victory that removed Dutchess County from the Republican orbit.

Having saved enough money to begin his college education, young Forrestal enrolled at Dartmouth in 1912 and a year later transferred to Princeton. There he became chairman of the *Daily Princetonian* and a member of the student council. He was not graduated, for his funds were exhausted; but just before he left he was voted "most likely to succeed." His nickname at Princeton was "Runt," although he stands a good five feet ten. He was not sturdy, however, and made it a point, to which he still adheres, to develop and maintain top physical condition. He took an active part in tennis and wrestling; it was in a boxing match that his nose was broken.

After leaving Princeton in 1915, Forrestal worked briefly for the old New York *World* as a financial reporter, for the New Jersey Zinc Company as a clerk, and for the Tobacco Products Corporation, selling cigarettes in a New York City territory. Through Dean Mathev, a Princeton graduate, who believed that chairmen of the *Daily Princetonian* were always outstanding men, Forrestal was given



Wide World Photos

JAMES V. FORRESTAL

the opportunity, in 1916, to become a bond salesman for the banking firm of William A. Read and Company (subsequently Dillon, Read and Company), which was then emerging as one of the important houses in Wall Street.

When the United States entered World War I, Forrestal enlisted in the United States Navy, became a seaman second-class in May 1917, and was commissioned a naval aviator in November of the same year. He served in continental United States and overseas, and was discharged with the rank of lieutenant in July 1919. Forrestal returned to William A. Read and Company after the war. Successful as a bond salesman, in 1923 he was made a partner in the firm. As the right-hand man of Charles Dillon, then head of the banking house, Forrestal assisted in one of the largest financial transactions of the period when Dillon, Read and Company acquired the Dodge Brothers' automobile business and sold \$150,000,000 of the company's securities to the public. In 1926 Forrestal was advanced to the position of vice-president in the firm, and eleven years later, when he was forty-five, he succeeded Dillon as company president. His marriage to Mrs. Josephine Ogden of New York and West Virginia took place in October 1926.

In 1933, during the early days of the first Roosevelt Administration, there was much agitation in Congress against certain stock market practices. Forrestal was called to Washington to testify as to his own, as well as his company's, activities. At one point he revealed that he was able legally to avoid paying taxes on \$864,000 of stock market profits in 1929 by forming two personal-holding companies. Forrestal did not, however, set himself up in opposition to stock market regulation, but urged businessmen to aid the Government. With others representing the "young blood" of Wall Street, he was in the forefront of those offering advice and cooperation to the SEC. In

decided upon the compromise agreement that was eventually adopted and approved by Congress on July 26, 1947. The post of first Secretary of Defense went to Forrestal by acclaim, and he took the oath of office in September 1947. An editorial in the *New York Times* (July 27, 1947) called Forrestal's appointment "the best guarantee that could be given that unification of the services will be carried out intelligently and efficiently."

As head of the new National Military Establishment, Forrestal holds Cabinet rank and establishes general defense policies and programs. His organization consists of three departments—Army, Navy, and Air Force—each having its own Secretary with sub-Cabinet rank. (John L. Sullivan heads the Navy, Stuart Symington the Air Forces, and Kenneth C. Royall¹ the Army.) The heads of the units are members of a National Security Council, whose meetings are presided over by the President. Under the Council's jurisdiction are a Central Intelligence Agency, a joint chiefs of staff group, and a national resources planning board. Forrestal's first directive after assuming his new office gave approval to an Army-Air Force agreement providing that men, bases, and equipment be assigned to the new separate Air Forces. He urged that an oil pipeline be built in Saudi Arabia, defending the use of steel for this purpose as essential to the national interest. With this in view, the United States began negotiations to secure its contract interests in that area, for otherwise, declared the Secretary of Defense, "the Marshall Plan itself might be in serious jeopardy."

With the three civilian chiefs of the armed services, Forrestal in March and April frequently appeared before Congress to testify in support of universal military training and selective service; he urged an increase in manpower to 900,000 (later to 1,734,000), to serve for a minimum of two years, the increase of the Air Force, and the stockpiling of critical matériel. During the same period Forrestal asked for the maintenance of the Air Force at the level of fifty-five groups, although W. Stuart Symington and other Air Force officials advocated a seventy-group force. The Symington stand was backed by the House of Representatives, which in mid-April ordered the increase of the Air Force to seventy groups (criticized by Forrestal as disproportionate to the rest of the military establishment) and appropriation of more than three billion dollars for that purpose. In May the Andrews peacetime draft bill was approved; this provided for the induction of men between the ages of 19 and 25 for a period of twenty-one months. The first call, made by Secretary Royall late in June at the request of Secretary Forrestal, was for about 225,000 men.

While working on the complete unification of the armed services, in the spring of 1948 Forrestal advocated certain changes, among them the merger of the Army and Navy medical services, the extension of a radar network through the United States, the establishment of a national civilian defense, the maintenance

of voluntary censorship on military matters by the press, and the integration of permanent women's units into the armed forces. When, in August, federalization of the National Guard was demanded, however, Forrestal set the proposal aside for future consideration. After visiting Canada to renew the joint defense agreements of the two nations, he returned to the United States, where shortly afterward he acted as chairman of the Newport (Rhode Island) meeting of the Joint Chiefs of Staffs, at which the Defense Secretary ordered the cessation of interservice bickering and planned the allocation of defense duties to the various services. A limitation of \$15,000,000,000 was set by President Truman upon military expenditures for 1948-49, of which more than \$3,000,000,000 was earmarked for the Air Force. To insure efficient operation of the National Military Establishment, the Defense Secretary in October ordered the imposition of certain economies and cutbacks in the West Coast defense area of the United States.

A prerogative that Forrestal felt should be exercised by the Secretary of Defense, he said in an article in the November 27 *Saturday Evening Post*, was that of choosing his own principal aides, as well as the Secretaries of the Army, Navy, and Air Force, in order to develop a sense of teamwork and to eliminate politics from the National Military Establishment. Other appointees with whom the Secretary was concerned were those for a medical board, named to advise the armed forces on medical policies and programs, the first of whom was designated by Forrestal in mid-December.

Formation of a joint committee on accounting policy was effected by Forrestal late in October, a short while before he ordered all three branches of the national defense arm to agree on legislative programs before presenting them to Congress. The Defense Secretary was then urging coordination of all Federal law enforcement agencies (FBI, Secret Service, etc.) into a Department of Internal Security. (Controversy arose in November over attempts by Forrestal to censor passages in the *Saturday Evening Post* series of memoirs by General Holland M. Smith², presumably for reasons considered by the Secretary to concern security.) Two other actions advocated by him that month were steps toward the possible formation of an Air Force Academy, and a project for mobilizing civilian defense before the need for it actually arose. In mid-November Forrestal went to Europe to ascertain the probable obligations which United States would have to assume under the terms of the planned Atlantic pact. Forrestal in December proposed \$23,000,000,000 as defense budget for the coming year; he also urged that military equipment be given to the nations of Western Europe to implement the Brussels pact. Unification was proceeding at that time with the establishment of the Weapons Systems Evaluation Group (for appraising all weapons used by the services), the amalgamation of military sea transport, and of